

MONTANA MEANS BUSINESS



# MONTANA IS COAL COUNTRY

SELECTED SITES FOR ADVANCED COAL DEVELOPMENT





## Montana is Coal Country

Montana wants to develop its massive coal reserves utilizing new advanced coal technology. We are promoting coal-derived synthetic fuels production that uses coal-to-liquids and gasification technologies that hold promise of achieving near zero emissions. Montana Governor Brian Schweitzer is aggressively encouraging the clean economic development of coal in Montana.



It's a New Day in Montana



# SELECTED SITES FOR ADVANCED COAL DEVELOPMENT

The sites discussed in this booklet are representative of coal areas around Montana. All are sites of existing or proposed mines and generating plants. With the right partnership arrangements, CTL, IGCC, CFB and Syn-gas facilities could be constructed at these coal mine sites.



## MONTANA DEMOGRAPHICS: AT-A-GLANCE

Land area: 145,552 square miles

Urban: 54%

Rural: 46%

Population (2005): 935,670

Persons per square mile: 6.4

Major Cities:

Billings .....	96,977	Missoula .....	61,790
Great Falls .....	56,503	Bozeman .....	32,414
Butte .....	32,393	Helena .....	27,196

Gross state income (millions of current dollars): \$27,701

Total State Tax (2005): \$1,787,889,000 Rank: 47

Total Tax Per Capita: \$1,910 Rank: 35

Total Montana Exports: \$842.7 million

Wheat .....	\$278.0 million
Industrial Machinery .....	\$110.3 million
Inorganic Chemicals .....	\$75.3 million
Paper and paperboard .....	\$39.0 million
Wood and Wood Products .....	\$33.4 million
Precious metals .....	\$10.3 million

Civilian labor force: 483,043

Employed: 461,746

Total households: 358,667

Persons per household: 2.45

Per capita personal income (2005): \$29,387

Median household income (2004): \$35,201

Average wage per job: \$27,721

# BULL MOUNTAIN

## SITE PROFILE: BULL MOUNTAIN

**Nearest Town:** Roundup (approx. 15 miles north, pop. 1,931)  
Billings (approx. 35 miles south, pop. 100,000)

**Elevation:** 3,900 ft. at mine site; 4,000 ft. at plant site

**Existing Mine:** Bull Mountain Mine – BMP Investments Inc.  
Underground (longwall) mine

**Production:** 2004– 208,755 tons  
2005– 168,063 tons  
2007 (est.)–4,250,000 tons

**Expansion Permit(s) at DEQ:** Yes

### Coal: **Sub-bituminous**

Parameter	BMP II (Underground)
Moisture	16.90%
Ash	12.04%
Sulfur	1.04%
Sodium	0.27%
BTU/lb	9,900
Avg. Overburden Thickness	0 to 800 FT
Minable Reserves (Includes Pending Amendments/Revisions)	23,200,000 Tons
Future Minable Reserves (Anticipated)	91,500,000 Tons
Total Reserves, Present and Future	114,700,000 Tons

### WATER

Opportunities exist to obtain water from both surface and groundwater sources. For large-scale consumption (e.g., 25,000 acre-feet per year), a facility might be able to purchase water from the U.S. Bureau of Reclamation. In 1978, USBR received a water reservation with a priority for an off-stream, multipurpose reservoir with a useable volume of 68,700 acre-feet per year, in the proposed Buffalo Creek reservoir located approximately 40 miles southeast of the Bull Mountain site. This represents a potential high volume surface water source from the Yellowstone River basin. The Musselshell River basin, also near the site, is currently fully appropriated. Water might be available from the purchase of water from area

ranches and the retirement of any irrigation rights they may possess. Ground water resources in the Madison Aquifer (>8,000 feet deep) and possible multiple wells in Cretaceous Age sandstone aquifers including the Fox Hills-Hell Creek and Eagle aquifers (2,000 – 4,000 feet deep) may support small-scale consumption (e.g., 250 acre-feet per year). Ground water quality and availability can be determined by drilling test wells. Bull Mountain Development Company #1 LLC currently holds a water right for 1,100 gpm (~1,800 acre-feet/yr) from the aquifer at 8,500 ft.

### NEAREST RAILROAD

A BNSF branch line is located near Broadview about 25 miles to the southwest. The branch



The Bull Mountain properties are a prime location for multiple coal related development activities. It has an existing permitted operating high quality coal mine located by a U.S. primary highway; has 30 mile right-of-way corridor for railroad, pipeline and transmission line connections; has completed the needed environmental assessments for an air quality permit for a standard pulverized coal plant which should shorten time frame for future permitting.

line is active, with a 143-ton limit. BMP Investments obtained needed permits and has acquired needed right of way access across public and private lands in order to build a spur from the branch line to the existing mine. The company intends to start construction in 2006.

### NEAREST HIGHWAY

U.S. Primary Highway 87 is located about 2 miles southwest of the mine site and is accessed by paved county road. In 2004, the average traffic volume on U.S. 87 was 3,240 vehicles per day. The road width is 32 ft. and can be expected to remain in excellent condition and be well maintained by the state. Although company plans are to rail the coal from the mine site, if any coal is to be hauled by road, the Montana Department of Transportation can assist by identifying any needed improvements that will enable efficient and safe product transportation.

### TRANSMISSION

The existing mine site is served by two 100 kV lines that come from Roundup located about 15 miles north. The nearest large scale transmission interconnect point is Broadview located about 25 miles southwest, and consists of a major substation for 500, 230 and 100 kV lines. BMP Investments has air quality permits in

place for a proposed 780 MW coal fired generating plant at this mine site and is in NorthWestern's generation interconnection queue, with a request for a 700 MW interconnect at the Broadview substation. Current on-line date is projected for 2008. Although no transmission reservations have been made, this project would require all of the available transmission capacity from Broadview, including the series capacitor upgrades identified in the Rocky Mountain Area Transmission Study (RMATS), (a separate planning document available upon request).

### PRODUCT PIPELINES

Inspection of the attached pipeline map shows nearby pipelines. The Yellowstone pipeline (64,300 bbl/day) to Moses Lake, WA, the Seminoe pipeline (40,000 bbl/day) to Wyoming and south and the Cenex pipeline (38-40,000 bbl/day) to Fargo originate all in Billings, Montana's largest city located about 35 miles south. While all are running near capacity, opportunities may exist to utilize current rights of way for additional pipelines.

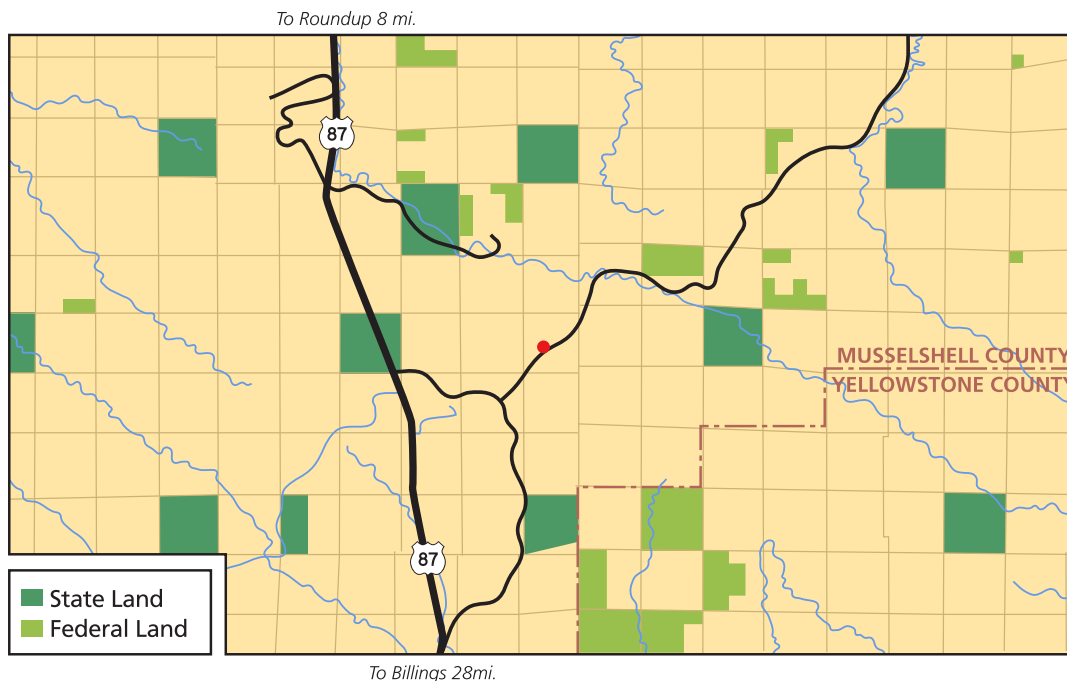
### OTHER COMMENTS

BMP Investments announced in the spring of 2006 its intention to reconsider its original plan to construct a 780 MW coal fired generating plant at this site. The new plan proposes to build a 20,000

bbl/day coal to liquids plant utilizing Fisher Tropsch technology, which will also result in generating 50-100 MW's of net electrical power to be placed on the grid.

### SURFACE OWNERSHIP

**Note:** Dot marks center of the case study area. Unmarked land is privately owned. Ownership of mineral rights could be different than surface ownership.





# COLSTRIP

## SITE PROFILE: COLSTRIP

**Nearest Town:** Colstrip (approx. 1 mile, pop. 2,346)  
Billings (120 miles, pop. 100,000)  
Miles City (80 miles, pop. 8,487)

**Elevation:** 3,200 ft.

**Existing Mine:** Rosebud Mine – Western Energy Company (now a subsidiary of Westmoreland). Surface mine.

**Production:** 2004– 12,413,482 tons  
2005– 13,164,977 tons

**Remaining Production (current permits for contracted coal):** Area C– 6.8 million tons/yr through 2020  
Area D– 3.1 million tons/yr through 2012  
Area E– In reclamation

**Expansion Permit(s) at DEQ:** Yes

### Coal: **Sub-bituminous**

Parameter	(Surface)
<b>Area A Permit:</b> 13 Million tons remaining minable reserves (everything leased; includes approved, pending revision, and some not yet submitted for mining approval)	
Strip Ratio	10.2 : 1
Moisture	25.5%
Ash	9%
Sulfur	0.7%
Sodium	0.5%
BTU/lb	8,700
<b>Area B Permit:</b> 36 Million tons remaining minable reserves (everything leased; includes approved and some not yet submitted for mining approval)	
Strip Ratio	9.5 : 1
Moisture	25.6%
Ash	8.2%
Sulfur	0.7%
Sodium	0.3%
BTU/lb	8,750
<b>Future minable reserves:</b> 127 Million tons (Area F, unpermitted)	
Strip Ratio	5.8 : 1
Moisture	25.7%
Ash	9%
Sulfur	0.9%
Sodium	1.2%
BTU/lb	8,550



Colstrip is home to an existing 2272 MW coal fired power plant complex supplied by a major active coal mine. All forms of industrial infrastructure and existing mining operations are highly developed at this site and represent great opportunities to serve a development consortium whose goal is to build advanced coal technologies in this area.

### WATER

Opportunities exist to obtain water from both surface and groundwater sources. For large-scale consumption (e.g., 25,000 acre-feet per year), a facility might be able to purchase stored water from the U.S. Bureau of Reclamation (USBR), or from the Crow or the Northern Cheyenne tribes out of Yellowtail Reservoir on the Big Horn River. USBR has a 1978 off-stream, multipurpose storage reservation for the proposed Cedar Ridge reservoir. The reservation is located about 35 miles northwest of Colstrip on Starved to Death Creek, a tributary on the north

side of the Yellowstone River. This site could provide 121,800 acre-feet per year, once operational. A lesser but still substantial amount of water might be obtained from the Northern Cheyenne Tribe out of the Tongue River Reservoir, 50 miles to the south. The Tribe has a reserved water right there for up to 20,000 acre-feet. However, the availability of this water depends on first satisfying the existing State water contracts. Ground water resources in the Madison Aquifer (>6,000 feet deep) and possibly multiple wells in Cretaceous Age sandstone aquifers including the Fox Hills-Lance aquifer (2,000 – 4,000 feet deep) may support small-scale consumption (e.g., 250 acre-feet per year).

### NEAREST RAILROAD

An active BNSF branch line serves this site, with a 144 ton limit.

### NEAREST HIGHWAY

This site is served by MT-39, a high quality state highway that is located about 1 mile away by county road. In 2004, average traffic volume was 2,230 vehicles per day and the road width is 38 ft. and in excellent condition. If any coal is to be hauled by road, the Montana Department of Transportation can assist by identifying any needed improvements that will enable efficient and safe product transportation.

### TRANSMISSION

Dual-circuit 500 kV lines, a 230 kV line and two 115 kV lines originate at Colstrip. A proposed coal fired generating plant located about 120 miles to the northeast at Nelson Creek, near Circle, Montana, is in Northwestern's generation interconnection and transmission queues with a request for a 500 MW interconnect at Colstrip with 500 MW of transmission service beyond Colstrip. The proposed Nelson Creek project has a current on-line date of 2011. Firm transmission capacity may not be available for any additional interconnects at this point, even if the upgrades to the 500 kV lines proposed in the Rocky Mountain Area Transmission Study are implemented. However, the proposed Northern Lights high voltage DC power line that would connect Montana to loads in the southwestern U.S. may provide additional capacity at Colstrip.

### PRODUCT PIPELINES

The Cenex pipeline to Fargo from the Cenex refinery at Laurel passes about 25 miles north. It currently runs at 80-90 percent of its 38-40,000 bbl/day capacity.

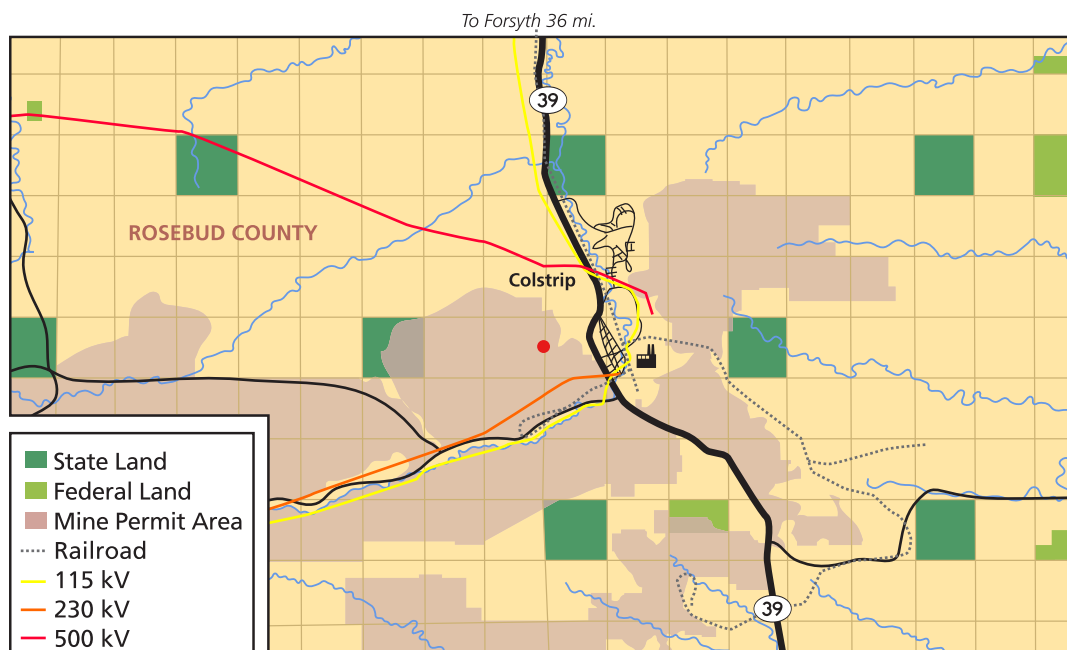
### OTHER COMMENTS

Colstrip Electrical Generating Plants, Numbers 1-4 are mine-mouth pulverized coal generating plants with 2272 MW nameplate capacity.

Montana 1 (also known as CELP), just north of Colstrip, has a 41.5 MW nameplate and burns waste coal.

### SURFACE OWNERSHIP

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# DECKER

## SITE PROFILE: DECKER

**Nearest Town:** Decker (1 mile south, pop. less than 100)  
Sheridan, Wyoming (15 miles south, pop. 15,800)  
Billings (120 miles, pop. 100,000)

**Elevation:** 3,500 ft.

**Existing Mines:** Decker West and Decker East (Kennecott Energy and KCP), Spring Creek (Kennecott Energy)—Surface mines

### Production (Current Permits)

	Decker West	Decker East	Spring Creek
2004 (Tons)	7,886,137	355,142	12,001,290
2005 (Est. Tons)	6,915,690	0	13,113,486
Remaining Production (Current permits)	50.2 million tons	3 million tons per year for 20 years	11 million tons per year through 2016
Expansion Permit(s) at DEQ	Yes	Yes	Yes

### Coal: Sub-bituminous

Parameter	Decker West (Surface)	Decker East (Surface)	Spring Creek (Surface)
Moisture	24.34%	24.21%	25.20%
Ash	4.14%	4.62%	3.58%
Sulfur	0.38%	0.45%	0.32%
Sodium	6.75%	6.41%	7.95%
BTU/lb	9,508	9,391	9,395
Ave. Overburden Thickness	130 FT	150 FT	100 FT
Minable Reserves (Tons) (Includes Pending Amendments/Revisions)	50,200,000	70,000,000	171,000,000



Three coal mines are permitted in this area and a major petroleum pipeline is located only 15 miles southwest. The nearby Tongue River Reservoir represents a large scale surface water opportunity and the prospect of a nearby DC power line serving load centers in the southwestern U.S. make this a good advanced coal development site.

### WATER

Supplies for large scale consumption (e.g., 25,000 acre-feet per year) may be difficult to obtain at this location, but substantial amounts of water might be available from the Northern Cheyenne Tribe out of the Tongue River Reservoir, which is adjacent to the existing Decker mines. Provided state water contracts are first satisfied, the Tribe has a reserved water right for up to



20,000 acre-feet available., Ground water resources in the Madison Aquifer (>6,000 feet deep) and possible multiple wells in Cretaceous Age sandstone aquifers, including the Fox Hills-Lance aquifer (2,000 – 4,000 feet deep), may support small scale consumption (e.g., 250 acre-feet per year). Ground water quality and availability can be determined by drilling test wells.

### NEAREST RAILROAD

An active BNSF branch line serves this site, with a 144 ton limit.

### NEAREST HIGHWAY

This site is served by Montana S-314, a high quality state highway that is located about 1 mile away by county road. In 2004, average traffic volume was 800 vehicles per day, and the road width is 31 ft. If any coal is to be hauled by road, the Montana Department of Transportation can assist by identifying any needed improvements that will enable efficient and safe product transportation.

### TRANSMISSION

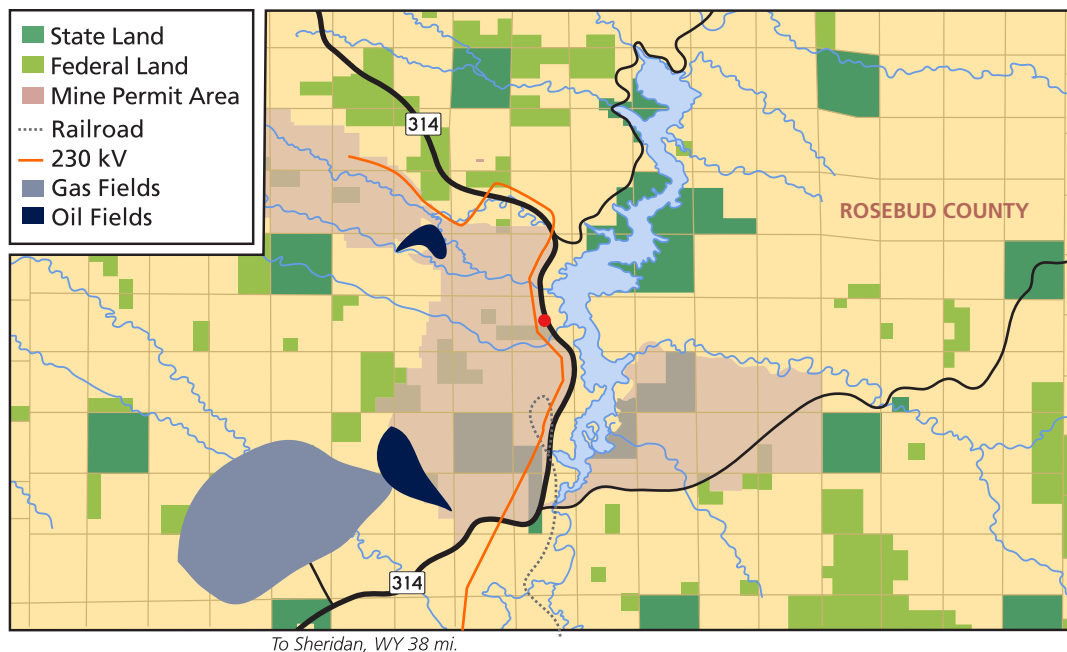
A 230 kV radial line originates north of Sheridan, Wyoming and serves the relatively small loads at the mines sites, but the transmission system in Wyoming currently reports has little available transmission capacity to load centers. However, the proposed Northern Lights high voltage DC power line that would connect Montana to loads in the southwestern U.S. may include a loop being built within 20 miles of this site.

### PRODUCT PIPELINES

The Seminole pipeline (40,000 bbl/day) from Billings to Wyoming and south has a terminal located in Sheridan, only 15 miles to the southwest, therefore some capacity may be available beyond this point.

### OTHER COMMENTS

The Decker East mine is currently inactive. The dragline was moved to Decker West to replace a dragline that was sold to Spring Creek. Otherwise Decker East is intact.



### SURFACE OWNERSHIP

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# KINSEY

## SITE PROFILE: KINSEY

**Nearest Town:** Kinsey (Approx. 10 miles south, pop. less than 100)  
Miles City (25 miles, pop. 8,487)  
Glendive (60 miles, pop. 4,729)  
Billings (170 miles, pop. 100,000)

**Elevation:** 2,600 ft.

**Existing Mines:** None

### Coal: **Lignite**

Parameter	(Surface)
Moisture	30%
Ash	18.5%
Sulfur	0.35%
Sodium	0.27%
BTU/lb	6,120
Average Strip Ratio	2.35 : 1
Reserves	450,000,000 Tons

Considered by many to be among the best sites in Montana for advanced coal development due to the presence in the area of excellent coal, water, transportation (rail and highway), power transmission capability to eastern and western grids and available workforce. The

Cenex refined products pipeline to Fargo from the Cenex refinery at Laurel passes within a few miles east of the site. GNP is open to discuss any advanced coal development proposals that would utilize its major coal resources.



## WATER

Opportunities exist to obtain water from both surface and groundwater sources. For large scale consumption (e.g., 25,000 acre-feet per year), an advanced coal facility has the potential to purchase water from the U.S. Bureau of Reclamation. The U.S. Bureau of Reclamation (USBR) holds a water reservation with a 1978 priority date for 539,000 acre-feet of water per year from the Yellowstone River for the proposed Sunday Creek reservoir on the north side of the river, near the Miles City airport. Use of this water would require construction of the proposed off-stream storage site. Ground water quality and availability can be determined by drilling test wells. Water might be available from the possible purchase of water from area ranches and the retirement of any irrigation rights they may possess.

## NEAREST RAILROAD

The BNSF mainline is located 7 miles to the north across the Yellowstone River and has a 144 ton limit.

## NEAREST HIGHWAY

This site is located 7 miles north of I-94 and across the Yellowstone River situated



near S-489, a state highway located about 10 miles southeast that can be accessed in part by county road. In 2004, average traffic volume was 140 vehicles per day and the road width is 28 ft. If any coal is to be hauled by road, the Montana Department of Transportation can assist by identifying any needed improvements that will enable efficient and safe product transportation.

### TRANSMISSION

This site is located near the western edge of the eastern interconnection, which provides the advantage of being able to more easily transmit power to both the western and eastern power grids. This offers a significantly greater market opportunity for potential electrical power producers. A 230 kV line and a 115 kV line are about 10 miles from the proposed mine site. The possibility for transmitting to the eastern interconnection will require a more detailed analysis of transmission capacity. The closest possibility of transmitting to the western interconnection would be to connect at Colstrip, about 75 miles to the southwest. Dual-circuit 500 kV lines, a 230 kV line and two 115 kV lines originate at Colstrip. A proposed coal fired generating plant located at

Nelson Creek, near Circle, Montana, is in NorthWestern's generation interconnection and transmission queues with a request for a 500 MW interconnect at Colstrip with 500 MW of transmission service beyond Colstrip. The proposed Nelson Creek project has a current on-line date of 2011. Firm transmission capacity may not be available for any additional interconnects at this point, even if the upgrades to the 500 kV lines proposed in the Rocky Mountain Area Transmission Study are implemented. However, the proposed Northern Lights high voltage DC power line that would connect Montana to loads in the southwestern U.S. may provide additional capacity for plants at Kinsey.

### PRODUCT PIPELINES

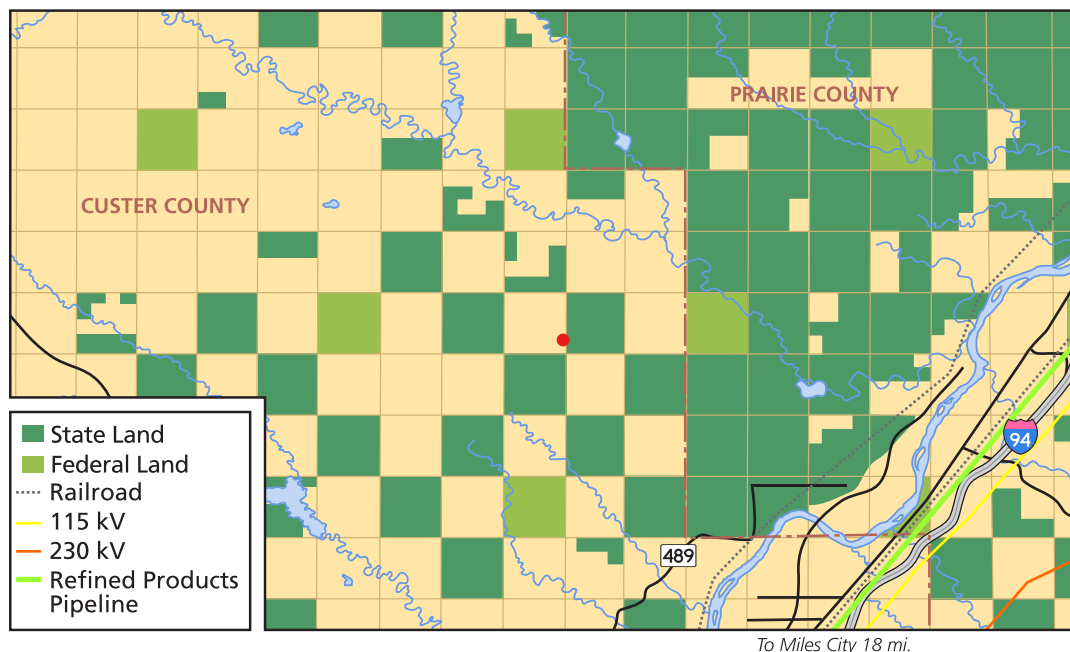
The Cenex refined products pipeline to Fargo from the Cenex refinery at Laurel passes within a few miles east of the site. It currently runs at 80-90 percent of its 38-40,000 bbl/day capacity.

### OTHER COMMENTS

Kiewit Mining Group has coal prospecting permits in this area for coal owned by Great Northern Properties. They are considering building a mine-mouth generating plant at this location.

### SURFACE OWNERSHIP

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# NELSON CREEK

## SITE PROFILE: NELSON CREEK

**Nearest Town:** Circle (Approx. 20 miles southeast, pop. 644)  
Glendive (70 miles, pop. 4,729)  
Glasgow (80 miles, pop. 3,253)  
Miles City (120 miles, pop. 8,487)

**Elevation:** 2,500 ft.

**Existing Mines:** None

### Coal: **Lignite**

Parameter	(Strip)
Moisture	35%
Ash	7.5%
Sodium	5%
BTU/lb	6,700
Average Strip Ratio	4 : 1
Potential Recoverable Reserves	400,000,000 Tons
Projected Mine Rate	2,700,000 Tons per year

### WATER

Opportunities exist to obtain water from both surface and groundwater sources. For large scale consumption (e.g., 25,000 acre-feet per year), a facility has the potential to obtain water from Fort Peck Reservoir, a Missouri River impoundment located 20 miles to the northwest. The Fort Peck, one of the largest reservoirs in the nation, is owned and operated by the U.S. Corps of Engineers. Water may also be obtained from the Fort Peck Reservoir through the Fort Peck Tribe. Ground water resources in the Fox Hills-Hell Creek Aquifer may support small scale consumption (e.g., 250 acre-feet per year). Ground water quality and availability should be determined by drilling test wells. Water might be available from the possible purchase of water from area ranches and the retirement of any irrigation rights they may possess.

### NEAREST RAILROAD

The nearest active BNSF branch line is located 66 miles east of the Nelson Creek site and about 7 miles west of Glendive. This active line currently provides service to a sand and gravel oper-

Great Northern Properties (GNP) owns the coal at this site and has plans in place to construct a coal fired power plant with reservations in interconnection and transmission queues. An



abandoned but still intact rail line to Circle that terminated only 22 miles from the proposed Nelson Creek mine site represents a significant transportation opportunity. GNP is open to discuss any advanced coal development proposals that would utilize its major coal resources.



ation and has a 134 ton limit. In addition, there is a rail line located only 22 miles from the Nelson Creek site extending from this terminal point west of Glendive, to the town of Circle. This line was abandoned in 2004; however, the tracks, bed, and right-of-way are still intact, with a 134 ton limit. The owner, BNSF Railroad is keeping the track and rail in place in the event that a mine and/or mine mouth plant advances and needs railroad service.

### NEAREST HIGHWAY

The site is located about 5 miles from state highway MT-24. In 2004, average traffic volume was 160 vehicles per day and the road is 27 ft. wide. If any coal is to be hauled by road, the Montana Department of Transportation can assist by identifying any needed improvements that will enable efficient and safe product transportation.

### TRANSMISSION

The site is near a Western Area Power Administration (WAPA) 230 kV line that at its nearest is about 20 miles northeast of the site, in the eastern interconnection. The possibility of transmitting to the eastern interconnection will require a more detailed

analysis of transmission capacity. GNP's proposed generating plant is in Northwestern's generation and interconnection queues with a request for 500 MW interconnect at Colstrip and a current on-line date of 2011. Firm transmission capacity may not be available for any further interconnects at this point, even if the upgrades to the 500 kV lines proposed in the RMATS study can be implemented. GNP is proposing to construct two 230 kV lines to connect at Colstrip to access the western interconnection. The proposed Northern Lights high voltage DC power line that would connect Montana to loads in the southwestern U.S. may provide additional capacity for plants at Nelson Creek.

### PRODUCT PIPELINES

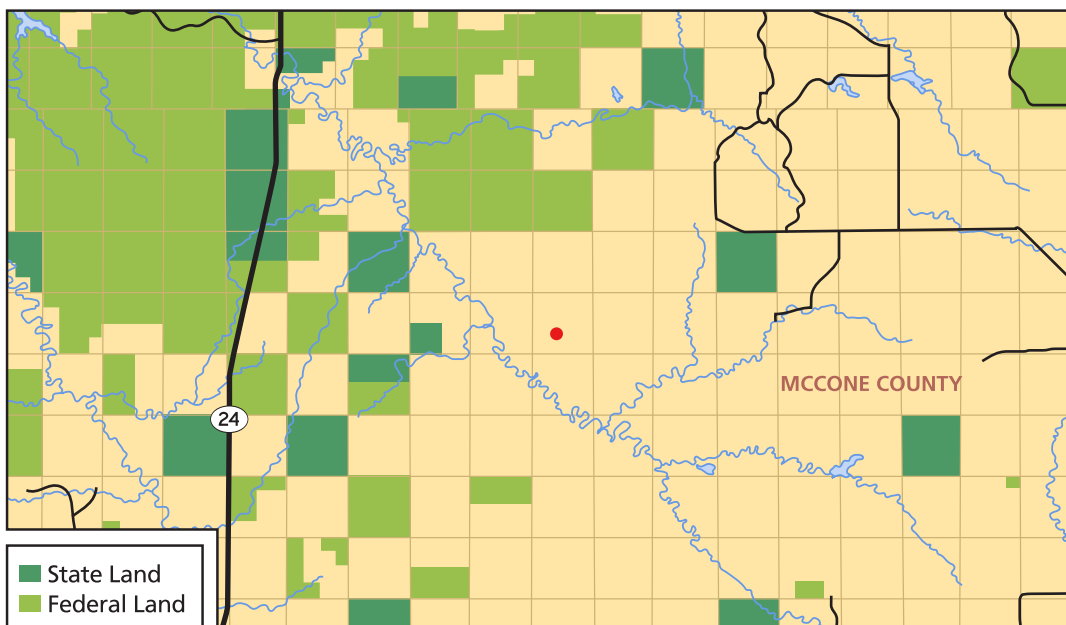
The Cenex pipeline to Fargo from the Cenex refinery at Laurel runs about 60 miles southeast of the site. It currently operates at 80-90 percent of its 38-40,000 bbl/day capacity.

### OTHER COMMENTS

Great Northern Properties controls the coal reserves at this location. Great Northern Power Development is developing a coal mine and a minemouth generating plant there. Circle West, a coal gasification, synthetic ammonia and generating facility, was proposed for this general area in the late 1970's.

### SURFACE OWNERSHIP

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# OTTER CREEK

## SITE PROFILE: OTTER CREEK

Nearest Town: Ashland (10 miles, pop. 464)  
Colstrip (62 miles, pop. 2,346)  
Miles City (75 miles, pop. 8,487)

Elevation: 3,100 ft.

Existing Mines: None

### Coal: **Sub-bituminous**

Parameter	(Strip)
Moisture	28%
Ash	5%
Sodium	7%
Sulfur	0.17%
BTU/lb	8,600
Average Strip Ratio	2.75 : 1
Potential Recoverable Reserves	1,400,000,000 Tons

The state of Montana owns 533 million tons of coal at Otter Creek and has spent over \$300,000 studying the development potential of these reserves. This gives the state knowledge and flexibility in making coal

available to prospective developers. The state's coal reserves are intermingled in checkerboard ownership with Great Northern Properties with whom Montana also has a co-development agreement in place. The proposed and partially permitted Tongue River Railroad, would provide market access to this coal, or it might be acceptable for a mine-mouth plant. A loop of the proposed Northern Lights HVDC transmission line may be located approximately 25 miles west of the site.



## WATER

Opportunities exist to obtain water from both surface and groundwater sources. Supplies for large scale consumption (e.g., 25,000 acre-feet per year) may be difficult to obtain at this location, but substantial amounts of water might be available from the Northern Cheyenne Tribe out of the Tongue River Reservoir. The Tribe has a reserved water right there for up to 20,000 acre-feet, provided state water contracts are first satisfied. Ground water resources in the Madison Aquifer (>6,000 feet deep) and possible multiple wells in Cretaceous Age sandstone aquifers including the Fox Hills-Lance aquifer (2,000–4,000 feet deep) may support small scale consumption (e.g., 250 acre-feet per year). Ground water quality and availability should be determined by drilling test wells. Water might be available from the possible purchase of water from area ranches and the retirement of any irrigation rights they may possess.

## NEAREST RAILROAD

The BNSF Colstrip line is located 31 miles away with a 144 ton limit. Alternatively, a spur could connect to the



proposed and partially permitted Tongue River Railroad. The spur would connect near Ashland and from there the Tongue River Railroad would run 90 miles north to the BNSF mainline at Miles City.

### NEAREST HIGHWAY

Montana highway S-484 is located about one mile to the west. In 2004, average traffic volume was 130 vehicles per day and the road is 28 ft. wide. If any coal is to be hauled by road, the Montana Department of Transportation can assist by identifying any needed improvements that will enable efficient and safe product transportation.

### TRANSMISSION

The nearest connection to the grid would be at Colstrip, about 40 miles to the northwest. Dual-circuit 500 kV lines, a 230 kV line and two 115 kV lines originate at Colstrip. A proposed coal fired generating plant located at Nelson Creek, near Circle, Montana, is in NorthWestern's generation interconnection and transmission queues with a request for a 500

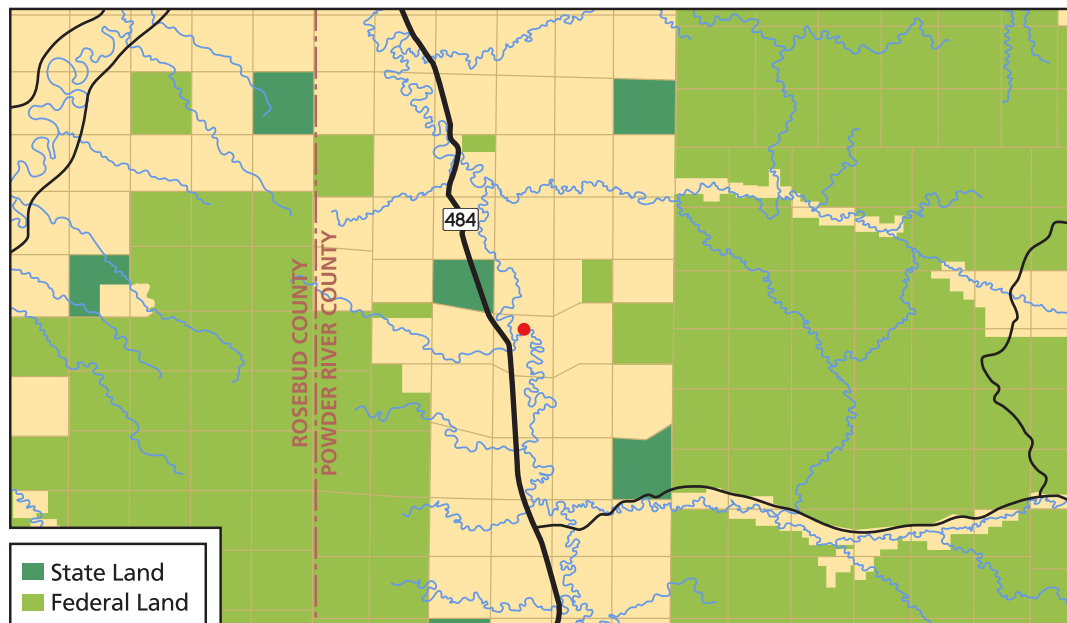
MW interconnect at Colstrip with 500 MW of transmission service beyond Colstrip. The proposed Nelson Creek project has a current on-line date of 2011. Firm transmission capacity may not be available for any additional interconnects at this point, even if the upgrades to the 500 kV lines proposed in the Rocky Mountain Area Transmission Study are implemented. However, the proposed Northern Lights high voltage DC power line that would connect Montana to loads in the southwestern U.S. may provide additional capacity at Otter Creek.

### PRODUCT PIPELINES

The Cenex pipeline to Fargo from the Cenex refinery at Laurel runs about 50 miles north of this site. It currently operates at 80-90 percent of its 38-40,000 bbl/day capacity.

### OTHER COMMENTS

The area is in approximately 50/50 ownership between Great Northern Properties and the State of Montana. The state owns approximately 533 million tons of coal at this site.



### SURFACE OWNERSHIP

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## MONTANA MEANS BUSINESS



### **Governor's Office of Economic Development**

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